## **BUDGET RESOLUTION/Elimination of the \$500 Per Child Tax Credit**

SUBJECT: Senate Concurrent Budget Resolution for fiscal years 1997-2002 . . . S. Con. Res. 57. Domenici motion to table the Feingold amendment No. 3969.

## **ACTION: MOTION TO TABLE AGREED TO, 57-43**

SYNOPSIS: As reported, S. Con. Res. 57, the Concurrent Budget Resolution for fiscal years 1997-2002, will balance the Federal budget in fiscal year (FY) 2002 by slowing the overall rate of growth in spending over the next 6 years to below the rate of growth in revenue collections. The rate of growth in entitlements such as Medicare, Medicaid, the Aid to Families with Dependent Children program, and the Earned Income Credit will be slowed. No changes will be made to the Social Security program, the spending for which will grow from \$348 billion in FY 1996 to \$467 billion in FY 2002. Defense spending will be essentially frozen at its present level.

**The Feingold amendment** would adjust the totals in the resolution to reflect the elimination of the \$500 per child tax credit. The savings would be used to reduce the deficit. (The \$500 per child tax credit will provide \$122 billion in tax relief over 6 years to working American families.)

Following debate, Senator Domenici moved to table the Feingold amendment. Generally, those favoring the motion to table opposed the amendment; those opposing the motion to table favored the amendment.

## **Those favoring** the motion to table contended:

American families are currently burdened with the highest tax rate in our Nation's history. This resolution, in addition to balancing the budget, will provide those families with some relief. The relief will only be a little less than half of the amount in additional taxes that President Clinton and congressional Democrats imposed in 1993. Literally every time we propose any tax cut, even if it is only a fraction of the amount of new taxes that Democrats imposed just 3 years ago, Democrats act as if the sky is falling. They are wrong, and they have never been more wrong than they are in this case. The number of broken families in America is escalating at an

(See other side)

YEAS (57)			NAYS (43)			NOT VOTING (0)	
Republicans Democrats (50 or 94%) (7 or 15%)		Republicans	Der	Democrats		Democrats (0)	
		(3 or 6%)	(40 or 85%)		(0)		
Abraham Ashcroft Bennett Bond Brown Burns Campbell Chafee Coats Cochran Coverdell Craig D'Amato DeWine Dole Domenici Faircloth Frist Gorton Gramm Grams Grassley Gregg Hatch Hatfield	Helms Hutchison Inhofe Kassebaum Kempthorne Kyl Lott Lugar Mack McCain McConnell Murkowski Nickles Pressler Roth Santorum Shelby Simpson Smith Snowe Stevens Thomas Thompson Thurmond Warner	Baucus Biden Boxer Bradley Ford Harkin Lieberman	Cohen Jeffords Specter	Akaka Bingaman Breaux Bryan Bumpers Byrd Conrad Daschle Dodd Dorgan Exon Feingold Feinstein Glenn Graham Heflin Hollings Inouye Johnston Kennedy	Kerrey Kerry Kohl Lautenberg Leahy Levin Mikulski Moseley-Braun Moynihan Murray Nunn Pell Pryor Reid Robb Rockefeller Sarbanes Simon Wellstone Wyden	EXPLANAT 1—Official I 2—Necessar 3—Illness 4—Other  SYMBOLS: AY—Annou AN—Annou PY—Paired PN—Paired	nced Yea nced Nay Yea

VOTE NO. 151 MAY 23, 1996

alarming rate. As more families end up broken, and as more mothers are left in poverty and on welfare with their children, the tax burden becomes ever greater on surviving intact families. Making matters even worse, the income levels of those families, for the past 5 years, have either remained level or have fallen. Last quarter marked the first tiny uptick--1 percent--in their income levels, which we attribute to the Republicans' successful reduction in the size of Government since they took over Congress. If President Clinton had not vetoed so many of the Republican reforms, that uptick would have been much larger. Clearly the budget needs to be balanced, and this resolution will get that job done, but just as clearly American families need tax relief. If it is possible to provide family tax relief without harming efforts to balance the budget, then that relief should be provided. Again, this resolution proves that it is possible. The Feingold amendment would deny that relief. The Feingold amendment should be rejected.

## **Those opposing** the motion to table contended:

After hearing a few of the budget debates this year, a casual listener might well mistakenly conclude that a consensus has emerged among Democrats and Republicans that the budget must be balanced. A more careful listener, though, would hear Democrats and Republicans alike engaging in a bidding war to see who can provide the largest tax breaks at the same time as they are supposedly trying to balance the budget. We cannot think of a more irresponsible course of action, but one proposal after another is being put forward. This budget resolution, the President's plan, and even the compromise Chafee/Breaux substitute contain large tax cuts that we simply cannot risk enacting while we are still running massive yearly deficits. The danger of continued deficit spending is so great that we cannot take any steps off the path to a balanced budget until such time as we actually have balanced the budget. We do not oppose giving tax relief to families as a matter of principle; we only oppose giving that tax relief when we are trying to avoid bankruptcy, which would ruin the future for those families' children. If the assumptions underlying this resolution turn out to be wrong, we may still have a large deficit in 2002 that could have been avoided if only we had not passed this child tax credit. We should not risk this result. We should approve the Feingold amendment, to provide \$122 billion more in deficit reduction.